

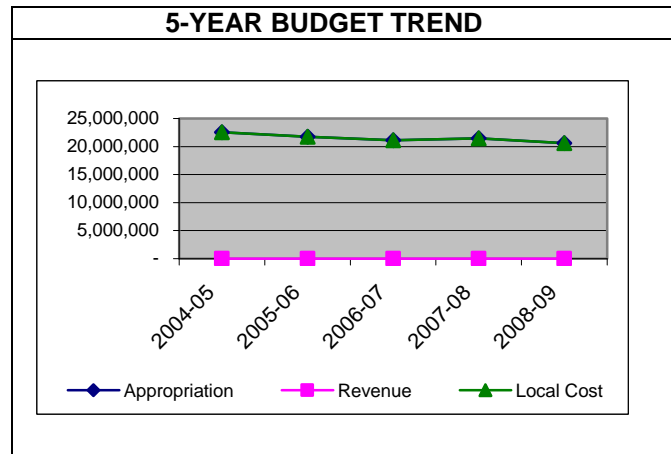
Joint Powers Leases

DESCRIPTION OF MAJOR SERVICES

This component funds the cost of long-term capital lease payments for the major county assets financed by the general fund.

There is no staffing associated with this budget unit.

BUDGET HISTORY

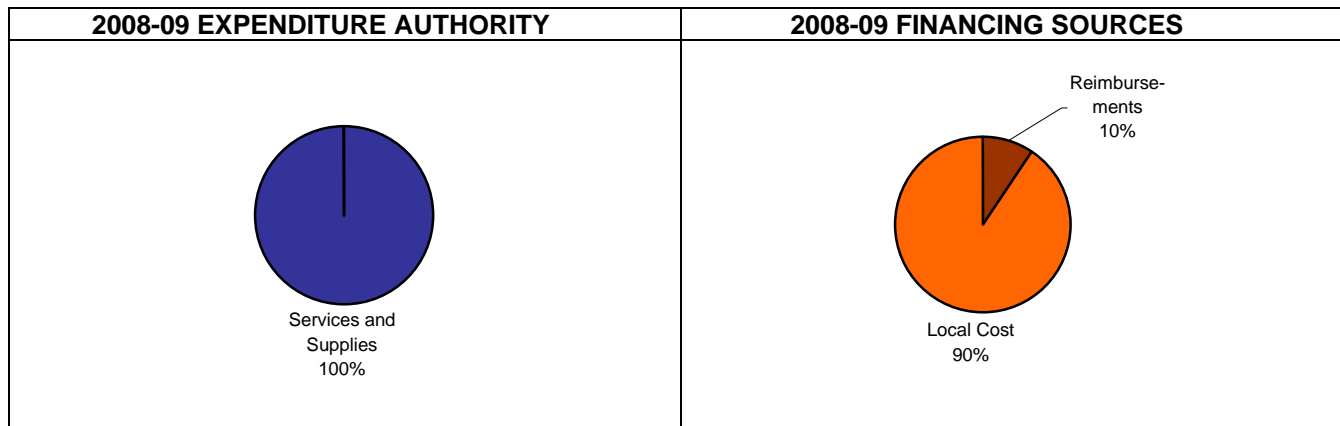


PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Estimate
Appropriation	21,382,011	20,987,980	20,147,355	21,437,356	18,935,614
Departmental Revenue	3,342	3,505	(5)	-	-
Local Cost	21,378,669	20,984,475	20,147,360	21,437,356	18,935,614

Estimates for 2007-08 are lower than budgeted amounts. \$1.3 million of this difference represents lease payments for the 1997 Public Improvement Project that were funded from unused project funds held by the trustee and therefore required no general fund contribution. \$0.9 million represents estimated variable rate interest savings that result from covenants that require conservative budgeting of variable rate interest expense.

ANALYSIS OF PROPOSED BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Joint Power Leases
FUND: General

BUDGET UNIT: AAA JPL
FUNCTION: General
ACTIVITY: Property Management

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Estimate	2007-08 Final Budget	2008-09 Proposed Budget	Change From 2007-08 Final Budget
Appropriation							
Services and Supplies	22,905,636	22,572,197	21,874,723	20,816,299	23,318,041	22,785,506	(532,535)
Total Exp Authority	22,905,636	22,572,197	21,874,723	20,816,299	23,318,041	22,785,506	(532,535)
Reimbursements	(1,523,625)	(1,584,217)	(1,727,368)	(1,880,685)	(1,880,685)	(2,173,150)	(292,465)
Total Appropriation	21,382,011	20,987,980	20,147,355	18,935,614	21,437,356	20,612,356	(825,000)
Departmental Revenue							
Other Revenue	3,342	3,505	(5)	-	-	-	-
Total Revenue	3,342	3,505	(5)	-	-	-	-
Local Cost	21,378,669	20,984,475	20,147,360	18,935,614	21,437,356	20,612,356	(825,000)

Services and supplies of \$22,785,506 represent lease payments and related fees and administrative costs for the major county assets financed by the general fund. In 2008-09, services and supplies are reduced by \$532,535. Of this reduction, \$825,000 is associated with the elimination of the 2007-08 fund balance allocation used for principal reduction of existing Certificates of Participation (which represent interests in the lease payments). This reduction is partially offset by an increase in lease payments and fees caused primarily by the refinancing of the Glen Helen Certificates of Participation (COPs). This refinancing resulted in an increase in lease payments due to a requirement to deposit \$1.1 million in cash with the trustee bank. This deposit funded a cash reserve to provide additional protection to the owners of the COPs against non-payment of lease payments. This \$1.1 million increased the principal amount of lease payments due, resulting in higher annual lease payments. This reserve will be available to offset the final lease payments on these COPs.

Reimbursements of \$2,173,150 include \$1,622,750 to fund the lease payments and related costs of the Glen Helen Pavilion. This reimbursement is funded by revenues associated with the operation of the pavilion. Reimbursements also include amounts associated with the 1997 Public Improvement financing in the amounts of \$470,000 from the utilities budget, representing savings from the ENVEST project, and \$80,400 from Preschool Services representing the portion of the lease payment used to fund a portion of the preschool building in Ontario.

In August 2006, the Board of Supervisors adopted an amendment to the formal Budget Financing Policy. This amendment automatically reappropriates the portion of the final fund balance associated with variable rate savings (budget vs. actual) to reduce the principal of outstanding long term debt in the next fiscal year. It is estimated that the savings calculated pursuant to this policy will be approximately \$900,000 at the end of 2007-08.



Lease Payments included in this budget unit for 2008-09 are:

Glen Helen Pavilion	1,525,786
Justice Center/Chino Airport Improvements	6,241,200
1997 Public Improvement Financing (ENVEST, West End Juvenile Facility, Preschool Building)	1,327,147
County Government Center	3,259,100
West Valley Detention Center	9,777,428
Subtotal:	<u>22,130,661</u>
Debt Administration (Trustee Fees, Letter of Credit Fees, Remarketing Fees, Auction Agent Fees, Broker-Dealer Fees, Audit and Arbitrage)	654,845
Reimbursements	(2,173,150)
Subtotal:	<u>(1,518,305)</u>
Total:	<u>20,612,356</u>

